



**Tanya E. Schuhmeier**  
Director, Provider Relations  
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September 29 2016

**Subject: Retroactive Rate Adjustments to Physician-Administered Drug Claims**

Dear Provider:

The Department of Health Care Services (DHCS) has updated the rates for various Physician-Administered Drugs (PADs) in accordance with *Welfare and Institutions Code* (W&I Code) Statute 14105.456. This update is effective retroactively for dates of service from January 1, 2016, through March 31, 2016.

No action is required on your part. Xerox State Healthcare, LLC (Xerox) will adjust the affected claims. These adjustments will appear on *Remittance Advice Details* (RAD) forms beginning September 29, 2016, with RAD code **0893: Retroactive rate adjustment**.

The recoveries are authorized under the provisions of W&I Code, Sections 14176 and 14177, and *California Code of Regulations* (CCR), Title 22, Section 51458.1(a)(1). In addition, the W&I Code sections authorize DHCS to enter into repayment agreements with providers or offset overpayments against amounts due. If the total warrant amount is not sufficient to offset the recovery, the negative balance will be converted to an accounts receivable transaction and subtracted from future Medi-Cal reimbursements.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date or you may submit an *Appeal Form* within 90 days of the new RAD date. For CIF completion instructions, please refer to the *CIF Completion* and *CIF Special Billing Instructions* sections in the appropriate Part 2 manual or on the Medi-Cal website ([www.medi-cal.ca.gov](http://www.medi-cal.ca.gov)). For *Appeal Form* completion instructions, please refer to the *Appeal Form Completion* section in the appropriate Part 2 manual or on the Medi-Cal website.

If you have questions regarding these adjustments, please call the Telephone Service Center at 1-800-541-5555, option 5, followed by option 6.

Sincerely,

*Tanya E. Schuhmeier*

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